

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Room 314
Salt Lake City, Utah

June 8, 2001

8:00 a.m.

- | | | |
|------|------------------------|-------------------|
| I. | WELCOME | Chairwoman Taylor |
| II. | DISCUSSION OF PROJECTS | Board/Staff |
| III. | OTHER ITEMS | |

A G E N D A

UTAH BOARD OF WATER RESOURCES Utah Department of Natural Resources 1594 W. North Temple Salt Lake City, Utah

June 8, 2001

10:00 a.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - April 20, 2001

III. CHAIRWOMAN'S REPORT

IV. FEASIBILITY REPORTS

COUNTY

E049	Scipio Irr. Co.	Millard
E053	Marion Waterworks Co.	Summit
L540	Price City	Carbon

V. COMMITTAL OF FUNDS

E046	Green River Canal Co.	Emery
L537	River Heights City	Cache

VI. SPECIAL ITEMS

D958	Pintura Irr. Co. (Withdrawal)	Washington
D988	Piute Res. & Irr. Co. (Withdrawal)	Sanpete
E054	Torrey Irr. Co. (App. Summ., Feas. Rep., & Comm. of Funds)	Wayne
---	Draper Irr. Co. (Water Right Exchange)	Salt Lake

VII. DIRECTOR'S REPORT

VIII. NEXT BOARD MEETING - August 10, 2001 - Uintah Basin

IX. ADJOURNMENT

BOARD OF WATER RESOURCES**Revolving Construction Fund
Funding Status****June 8, 2001**

Funds Available for Projects This FY	\$	5,674,000
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Projects Contracted This FY

1 Spanish Fork South Irr Co	E030		\$209,000	
2 Dry Gulch Irr Co	E013		67,000	
3 Liberty Pipeline Co	E022		161,000	
4 Levan Irr Co	E025		697,000	
5 Providence Logan Irr Co	E041		31,000	
6 Alpine Cove Water SSD (interim warrants)	D930		480,000	
7 Utah State University (Logan 1st Dam)	C006	Grant **	2,270,000	
8 Gunnison Irr Co (Gunnison Dam)	C014	Grant **	1,248,000	
9 Gunnison Irr Co (Gunnison Dam)	C014	Loan **	152,000	
10 Fremont Irr Co (Forsyth Dam)-Amd	C002	Grant **	9,500	
11 Fremont Irr Co (Forsyth Dam)-Amd	C002	Loan **	500	
12 Piute Res & Irr Co (Piute Dam)-Amd	C022	Grant **	200,000	
13 Rocky Ford Irr Co (Rocky Ford Dam)-Amd	C010	Grant **	38,000	
14 Rocky Ford Irr Co (Rocky Ford Dam)-Amd	C010	Loan **	2,000	
Contracted Dam Safety Studies		**	<u>30,000</u>	
Total Funds Contracted			\$	<u>5,595,000</u>
Funds Balance			\$	79,000

Projects with Funds Committed

1 Devil's Pass Water Co	D964		\$327,000	
2 Chalk Creek Narrows Irr Co	E019		496,000	
3 Parowan West Fields Irr Co	E044		15,200	
4 Mona Irr Co	E048		326,000	
5 Red Creek Irr Co	E038		42,500	
6 Levan Irr Co-Amd	E025		323,000	
* 7 Green River Canal Co	E046		35,000	
* 8 Torrey Irr Co	E054		30,000	
9 Kays Creek Irr Co (Adams Dam) Amd	C001	Grant **	4,000	
10 Dept of Natural Resources (Thistle)	C029	Grant **	950,000	
11 Utah State University (Logan 1st Dam)-Amd	C006	Grant **	800,000	
Commitments for Dam Safety Studies		**	<u>201,000</u>	
Total Funds Committed			\$	<u>3,550,000</u>
Funds Balance			\$	(3,471,000)

Projects Authorized

1 Beaver Bench Irr Co	D918		\$280,000	
2 Croydon Pipeline Co	D962		35,000	
3 North Canyon Irr Co	D955		315,000	
4 Don Anderson	E008		170,000	
5 East Bench Canal Co	E032		256,000	
* 6 Scipio Irr Co	E049		570,000	
* 7 Marion Waterworks Co	E053		<u>320,000</u>	
Total Funds Authorized			\$	<u>1,946,000</u>
Remaining Funds Available			\$	(5,417,000)

* To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

June 8, 2001

Funds Available for Projects This FY	\$	3,451,000
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Projects Contracted This FY

1 Jordan Valley WCD (IRB-Bond Ins)	E028	\$162,000	
2 North Salt Lake City	L530	<u>718,000</u>	
Total Bonds Closed		\$	<u>880,000</u>
Funds Balance		\$	2,571,000

Funds Committed to Projects

1 Pleasant Grove City	E003	\$150,000	
2 Coalville City	E024	<u>2,500,000</u>	
Total Funds Committed		\$	<u>2,650,000</u>
Funds Balance		\$	(79,000)

Projects Authorized

1 Hanna Water & Sewer District	D983	\$1,146,000	
2 Trenton Town	L534	<u>1,304,000</u>	
Total Funds Authorized		\$	<u>2,450,000</u>
Remaining Funds Available		\$	(2,529,000)

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

Conservation & Development Fund Funding Status

June 8, 2001

Funds Available for Projects This FY	\$	1,184,000
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Projects Contracted/Bonds Closed This FY

1 Nordic Mountain Water Users	E007	\$1,361,000	
2 Weber-Box Elder Conservation Dist (IRB)	E027	37,000	
3 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	1,020,000	
4 Pole Patch Land Owners Assoc	D975	240,000	
5 Pine Valley Irr Co	E005	529,000	
6 Providence City	L536	440,000	
7 High Valley Water Co	E033	<u>317,000</u>	
Total Funds Contracted/Closed			\$ <u>3,944,000</u>
Funds Balance			\$ (2,760,000)

Funds Committed to Projects

1 Holliday Water Co	D906	\$500,000	
2 Alpine City (Bond Ins Grant)	E051	75,000	
3 Tooele City (Bond Ins Grant)	E052	80,000	
4 Nibley City	L525	173,000	
5 Willard City	L538	425,000	
6 Weber Basin WCD (Secondary Irr, Ph 1)	E029	531,000	
* 7 River Heights City	L537	<u>839,000</u>	
Total Funds Committed			\$ <u>2,623,000</u>
Funds Balance			\$ (5,383,000)

Projects Authorized

1 Uintah WCD (Red Wash)	D730	\$1,940,000	
2 Roy Water Conservancy Subdistrict	D965	840,000	
3 Springville City (Culinary)	L522	300,000	
4 Charleston WCD	D974	1,093,000	
5 Ferron Canal & Reservoir Co	D942	2,000,000	
6 Strawberry High Line Canal Co	D976	3,187,000	
7 Price-Wellington Control Board	D999	3,925,000	
8 Kanab Irr Co	D968	62,000	
9 Center Creek Culinary Water Co	E020	450,000	
10 Ivins City	L533	440,000	
11 Bristlecone WID	E026	935,000	
12 Morgan Secondary Water Association	E031	2,635,000	
13 Uintah WCD (Island Ditch)	E036	720,000	
14 Summit Water Distribution Co	D776	3,000,000	
15 Mountain Regional Water SSD	E040	1,675,000	
16 White City WID	L539	2,085,000	
* 17 Price City	L540	<u>1,000,000</u>	
Total Funds Authorized			\$ <u>26,287,000</u>
Remaining Funds Available			\$ (31,670,000)

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

June 8, 2001

ADDITIONAL ACTIVE PROJECTS			Fund	Est. Board Cost	Total Cost
Authorized or Committed Projects					
1	Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$10,925,000	\$12,853,000
2	Carbonville Ditch Co	D887	RCF	462,000	597,000
3	Central Utah WCD (Prepay FY98,99,00)	D960	C&D	3,000,000	3,000,000
4	Washington County WCD (Ivins)	D925	C&D	1,390,000	5,100,000
5	Weber Basin WCD (Secondary Irr, Ph 2-5)	E029	C&D	28,369,000	33,375,000
6	Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	<u>20,655,000</u>	<u>24,300,000</u>
Subtotal				\$64,801,000	\$79,225,000
Projects Under Investigation					
1	Downs Ditch Water Co	D899	RCF	\$7,500	\$10,000
2	Juab Lake Irr Co	D901	RCF	75,000	100,000
3	K Ranch LLC	D954	RCF	206,250	275,000
4	Hooper Irr Co	D995	RCF	93,750	125,000
5	Keith Johnson	D996	RCF	37,500	50,000
6	Billy Bethers Spring, Cul, & Domestic	E021	RCF	300,000	400,000
7	Fountain Green Irr Co	E042	RCF	285,000	380,000
*	8 Herriman Pipeline & Development Co	E055	RCF	525,000	700,000
9	Koosharem Town	L535	CWL	152,250	203,000
10	Summit County Service Area #3	E045	CWL	414,750	553,000
11	Woodruff Irrigating Co	D680	C&D	600,000	800,000
12	Kane County WCD	D828	C&D	1,500,000	2,000,000
13	Richfield City	D898	C&D	450,000	600,000
14	Uintah WCD (Leota Bench)	D944	C&D	750,000	1,000,000
15	Midway Irr Co (Ph 2,3)	D949	C&D	7,275,000	9,700,000
16	Springville City (Secondary Irr)	D967	C&D	13,500,000	18,000,000
17	East Carbon City (Dam)	D969	C&D	7,500,000	10,000,000
18	Holmes Creek Irr Co (Secondary Irr)	D984	C&D	1,800,000	2,400,000
19	Silver Spurs Water Co	D990	C&D	21,000	28,000
20	Gunnison Butte Mutual Irr Co	E004	C&D	10,500,000	14,000,000
21	Town of Altamont	E012	C&D	142,500	190,000
22	Draper Irr Co	E023	C&D	4,050,000	5,400,000
23	City of South Jordan	E034	C&D	2,253,000	3,004,000
24	Payson City (Walker Flat)	E037	C&D	7,500,000	10,000,000
25	Hyrum Blacksmith Fork Irr Co	E047	C&D	2,025,000	2,700,000
26	Grantsville Irr Co	E050	C&D	375,000	500,000
*	27 Town of Brian Head	L541	C&D	<u>2,700,000</u>	<u>3,600,000</u>
Subtotal				<u>\$65,038,500</u>	<u>\$86,718,000</u>
TOTAL				\$129,839,500	\$165,943,000

* New Applications

BOARD OF WATER RESOURCES

June 8, 2001

Long Term Large Water Conservation Projects

1	Sanpete WCD (Narrows Dam)	D377
2	Wayne County WCD	D494
3	Cedar City Valley Water Users	D584
4	Bear River WCD	D738
5	Mapleton City	D886

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-049**

Received: 2/7/01

Approved: 3/8/01

To be Presented at the June 8, 2001 Board Meeting

SPONSOR: **SCIPPIO IRRIGATION COMPANY**

President: Clinton Quarnberg

LOCATION: The proposed project is located around the town of Scipio, about 20 miles northeast of Fillmore in Millard County.

EXISTING CONDITIONS & PROBLEMS: The sponsor provides irrigation water to agricultural and residential land in and around Scipio. Runoff, spring, and flowing well water is captured in Scipio Lake about nine miles south of town, and stored for use in spring and summer. Although the lake has a capacity of about 9,500 acre-feet, only around 5,000 acre-feet is typically stored each year and nearly all of it is used by the middle of July.

Water for agriculture is released from the lake and diverted into two unlined ditches, where it is then distributed to farms for flood irrigation. Staff estimates that over half the water is lost to seepage and inefficient irrigation practices; only 2,200 of the 5,000 arable acres are usually irrigated because of the shortage of water.

Residential and agricultural land within town is served by a gravity pressurized secondary irrigation system which uses water diverted from the Highline Canal. That canal was constructed in 1984 as an emergency flood control project.

PROPOSED
PROJECT:

The sponsor is requesting financial assistance from the board to install a pressurized sprinkle irrigation system to serve about 1,200 agricultural acres surrounding Scipio. The system will include several diversions from the Highline Canal, approximately 14.5 miles of 18 through 4-inch PVC transmission and distribution piping, and associated valves, fittings, and meters. The sponsor is also requesting assistance to re-equip two of its irrigation wells, whose existing equipment is old and in need of replacement.

Technical assistance is being provided by the Natural Resources Conservation Service (NRCS) in Fillmore.

COST ESTIMATE: The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Canal Diversions	LS	\$ 50,000	\$ 50,000
2.	PVC Pipe			
	a. 18-inch	11,300 LF	11.50	129,950
	b. 15-inch	5,500 LF	9.00	49,500
	c. 12-inch	12,800 LF	7.00	89,600
	d. 10-inch	9,300 LF	5.00	46,500
	e. 8-inch	12,700 LF	4.00	50,800
	f. 6-inch	19,700 LF	3.00	59,100
	g. 4-inch	5,300 LF	2.00	10,600
3.	Valves	LS	30,000	30,000
4.	Meters	LS	20,000	20,000
5.	Riser Valve Assembs.	LS	30,000	30,000
6.	Road Crossings	LS	25,000	25,000
7.	Re-equip Wells	LS	35,000	<u>35,000</u>
Construction Cost				\$626,050
Contingencies				62,950
Legal, Administrative, and Engineering				<u>21,000</u>
TOTAL				\$710,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$570,000	80%
Sponsor	<u>140,000</u>	<u>20</u>
TOTAL	\$710,000	100%

If the board authorizes the project, it is suggested it be purchased at 0% interest over approximately 14 years with annual payments of \$10,000 the first year, \$20,000 the second, and \$46,700 thereafter.

Increasing payments reflect rising benefits as land is converted from flood irrigation to sprinklers.

The sponsor is applying for grant funds from the federal EQUIP program. If funding from this program is received, the amount needed from the board will be reduced by the cost of on-farm laterals paid for by the grant.

FINANCIAL
FEASIBILITY:

The benefits from installing the project were estimated to be primarily from increased crop yields. Annual net benefits are computed as follows:

Annual benefit of estimated increased crop production	\$95,600
Annual cost reduction of company O&M	2,000
Less annual cost of sprinkler equipment	<u>- 39,200</u>
ANNUAL NET BENEFIT	\$58,400

Since the board is proposed to fund 80% of the total project cost, it is suggested the sponsor's repayment ability be calculated as approximately 80% of the annual net benefit, or \$46,700 per year.

BENEFITS:

The proposed project will replace an inefficient open ditch irrigation system with a pressurized system, effectively doubling irrigation efficiency.

About 2,500 acre-feet will be saved annually (through reduced ditch losses and the increased on-farm efficiency), which will be used to reduce water shortages experienced each year. Instead of one or two mediocre cuttings of alfalfa, the sponsor anticipates two or three good cuttings with the system in place.

PROJECT The Scipio Irrigation Company originally incorporated

SPONSOR: in 1897, reorganized and reincorporated in 1949, and is currently delinquent with the state Department of Commerce for failure to file an annual report. The company's 2,922 shares of stock are held by nearly 130 stockholders. A new class of stock was recently created, for those under the proposed project, to enable the company to assess to make new annual payments to the board.

The sponsor has received assistance from the board on five previous occasions. In 1957 it drilled and equipped three irrigation wells, and in 1961 constructed two more. In 1977 it constructed the secondary system for town, and in 1984 built the Highline Canal. These four projects have been purchased from the board. In 1989 the sponsor received about \$158,000 from the board to convert the town's secondary system from pump to gravity feed, and to improve Scipio Lake Dam by adding a new spillway and toe drain. That project has a balance of about \$56,000 and will be paid off in 2003.

WATER RIGHTS
& SUPPLY: Water rights associated with the project are:

1. Application to Appropriate Water, No. 27453 as amended by Change Application Nos. a3243 and a3950.
2. Rights awarded to the Scipio Irrigation Company in the Cox Decree, dated November 30, 1936.
3. Segregation Application No. 27453a.

These rights are presently held by the board as security on the current agreement.

Although the rights allow the irrigation of 4,964 acres, only around 2,200 are irrigated because of the supply.

EASEMENTS: Most of the proposed pipelines will follow existing ditch alignments. A few easements from private landowners will be needed on the upper portion of the system.

ENVIRONMENTAL: Since the proposed project will replace an existing system, no long-term environmental impacts are foreseen.

WATER
CONSERVATION: The proposed project will conserve water by raising irrigation efficiency. An estimated 2,500 acre-feet annually will be prevented from seeping into earth ditches, and will be used to lessen the annual water shortage.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. File its annual report with the state Department of Commerce.
2. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
3. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.

4. Have its attorney give the Board of Water Resources a written legal opinion:

a. That the company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.

b. That the company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

c. That the sponsor has obtained all easements, rights-of-way, and permits required for the project and that they can be legally transferred to the Board of Water Resources.

5. Obtain approval of final plans and specifications from the Division of Water Resources.

6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

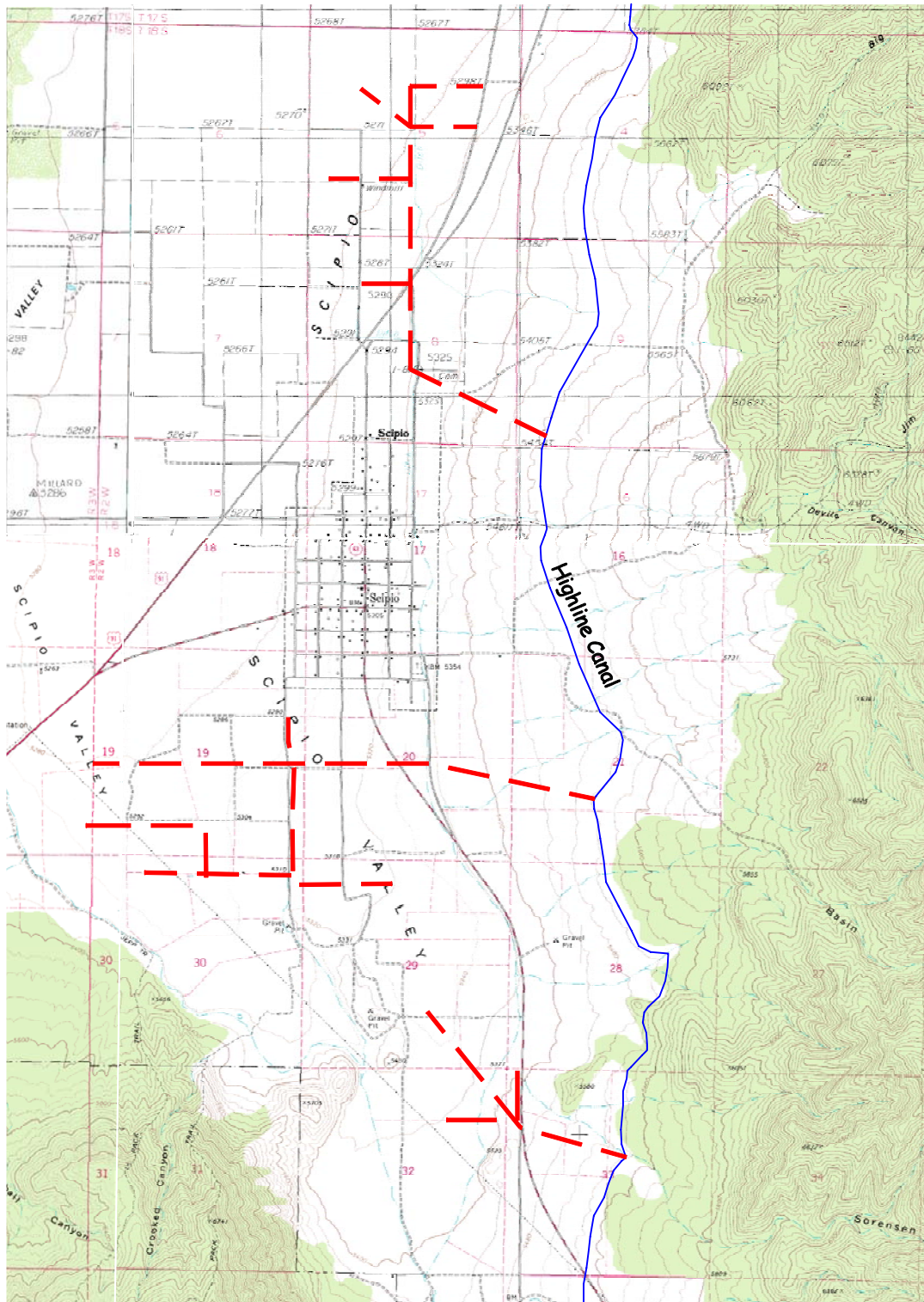
PROJECT
CONTACT
PEOPLE:

President: Clinton Quarnberg
Scipio, UT 84656
Phone: (435) 758-2673

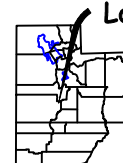
Secretary: Royce Memmott
Box 57
Scipio, UT 84656
Phone: (435) 758-2627

Lee Monroe
Box 44
Scipio, UT 84656
Phone: (435) 758-2484

Engineer: NRCS
P.O. Box 506
Fillmore, UT 84631
Phone: (435) 743-5173



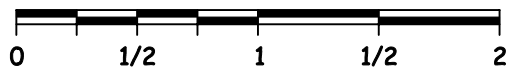
SCIPIO IRRIGATION COMPANY
Pressurized Irrigation System Project
Millard County



**Project
Location**

T17,18S - R2,3W

Scale in Miles



BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-053**

Received: 3/5/01

Approved: 4/20/01

To be Presented at the June 8, 2001 Board Meeting

SPONSOR: **MARION WATERWORKS COMPANY**

President: Marve L. Mitchell

LOCATION: The proposed project is located in the community of Marion, about three miles north of Kamas in Summit County.

EXISTING CONDITIONS & PROBLEMS: The sponsor supplies untreated culinary water for indoor and outdoor use to 102 connections in Marion. The system is supplied by three developed springs (Oak Creek, Hoyt, and an unnamed spring) east of town, and a well installed in 1992. The springs and well feed into a 100,000 gallon storage tank which supplies water through an 8-inch PVC pipe to the sponsor's distribution system.

The existing storage tank is too small to meet standards for indoor and outdoor use plus fire protection. Also, one portion of the existing pipeline distribution system is without fire protection, and has piping too small to adequately serve connections in the area.

The water system currently has a "Not Approved" rating from the Division of Drinking Water, effective since July, 1998. Monthly water samples taken last year indicated the presence of coliform bacteria, so in September the contaminated (unnamed) spring was shut off from the system; samples since then have been acceptable.

PROPOSED
PROJECT:

The sponsor is requesting technical and financial assistance from the board to construct a 300,000 gallon concrete storage tank and tie it into the culinary system, add chlorination facilities, upsize the small pipe portion of the distribution system, and add fire hydrants. The sponsor requests the division staff provide design and construction engineering services.

Although 300,000 additional gallons of storage is technically more than required to meet standards, the sponsor desires the larger tank to provide for growth.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE: The following cost estimate is based on staff's preliminary design:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$ 20,000	\$ 20,000
2.	300,000 Gal. Tank	LS	200,000	200,000
3.	8-inch PVC Pipe	1,000 LF	11.00	11,000
4.	Chlorination Sta.	LS	45,000	45,000
5.	Electrical	LS	15,000	15,000
6.	Fire Hydrant	2 EA	2,000	<u>4,000</u>
Construction Cost				\$295,000
Contingencies				29,000
Land Purchase				20,000
Legal and Administrative				10,000
Design and Construction Engineering				<u>46,000</u>
TOTAL				\$400,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 320,000	80%
Sponsor	<u>80,000</u>	<u>20</u>
TOTAL	\$ 400,000	100%

If the board authorizes the project, it is suggested it be purchased with annual payments of \$27,000 at 0% interest over approximately 12 years.

The sponsor requests annual payments of \$15,000 at 0% interest over approximately 22 years.

FINANCIAL FEASIBILITY:

Based on the board's current water service affordability guidelines, water users could pay up to \$27.01 monthly for water. The cost of water with the proposed project, based on 102 connections, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Proposed BWR Assistance	\$27,000	\$22.06
Maintenance	5,000	4.08
Pumping Costs	<u>800</u>	<u>.65</u>
TOTAL	\$32,800	\$26.80

If the board authorizes the repayment schedule based on its affordability guidelines (\$27,000/year), the sponsor will need to more than double its water rates, which it considers unreasonable. Its requested payment to the board (\$15,000/year) will still require a substantial rate increase, but one it feels its users will support.

The sponsor currently charges a yearly base rate of \$150 for water use up to 100,000 gallons, with an overage charge of \$1.50 per 1,000 gallons above the 100,000; these rates are triple what they were ten years ago.

BENEFITS:

Adding an additional storage tank will allow the sponsor to meet Division of Drinking Water standards, improve fire protection, and serve

current and future populations. The chlorination station will help insure a safe, approved water supply, and upsizing a portion of the distribution system will improve flows and pressures.

PROJECT The Marion Waterworks Company was incorporated
SPONSOR: December 17, 1929, and is currently listed as
 "Delinquent" with the state Department of Commerce.
 The company serves 102 connections, of which four
 can be classified as commercial (three dairy
 operations and one local co-op). The remaining 98
 are residential.

The sponsor received assistance from the board in 1976 to help develop the existing water system including constructing the 100,000 gallon storage tank, installing 14,000 feet of distribution pipeline, fire hydrants and meters, and making spring improvements; that project has been purchased from the board. In 1992 the board provided \$53,000 (74%) to the sponsor to help drill and equip a well, and tie it into the water system. The final payment to the board for that project will be made in 2002.

WATER RIGHTS The sponsor has four water rights. Three are for
& SUPPLY: year-round flow out of springs, and one provides for
 water from either springs or the well:

- ! Right No. 35-8986, Change Applications a13506 and a16300, for 0.311 cfs from Hoyt Spring, an unnamed spring, and a well.
- ! Right No. 35-8903 for 0.038 cfs from an unnamed spring.
- ! Right No. 35-8896 for 0.065 cfs from Oak Creek Spring (April 1 - Nov. 30)
- ! Right No. 35-694 for 0.065 cfs from Oak Creek Spring (Nov. 30 - April 1)

These rights are presently held by the board as security on the current agreement.

The addition of the well in 1992 allows the sponsor to more reliably supply water when spring flow is inadequate.

EASEMENTS: The replacement distribution pipeline will be installed within existing rights-of-way; additional land and rights-of-way are required for construction of the tank. The sponsor has contacted the owner of the tank site and foresees no problems obtaining the land.

ENVIRONMENTAL: No long-term, detrimental environmental effects are anticipated from the earthwork necessary to build the tank.

WATER
CONSERVATION: There will need to be some adjustment to water rates to pay for the project, which may encourage conservation. Staff suggests the sponsor also evaluate its base and overage rate schedules to determine if they foster conservation; an inclining block overage schedule may help in that regard.

Although individual connections are metered, the meters are not read monthly. Doing so in summer and billing accordingly will encourage conservation.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Resolve its delinquency with the state Department of Commerce.
2. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
3. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.

4. Have its attorney give the Board of Water Resources a written legal opinion:

a. That the company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.

b. That the company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

c. That the company has obtained all easements, rights-of-way, and permits required for the project and that they can be legally transferred to the Board of Water Resources.

5. Obtain approval of final plans and specifications from the Division of Drinking Water.

6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

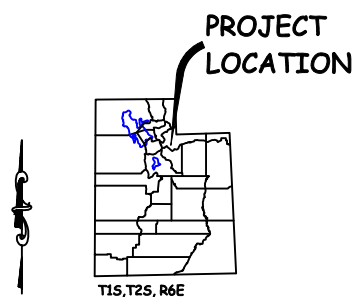
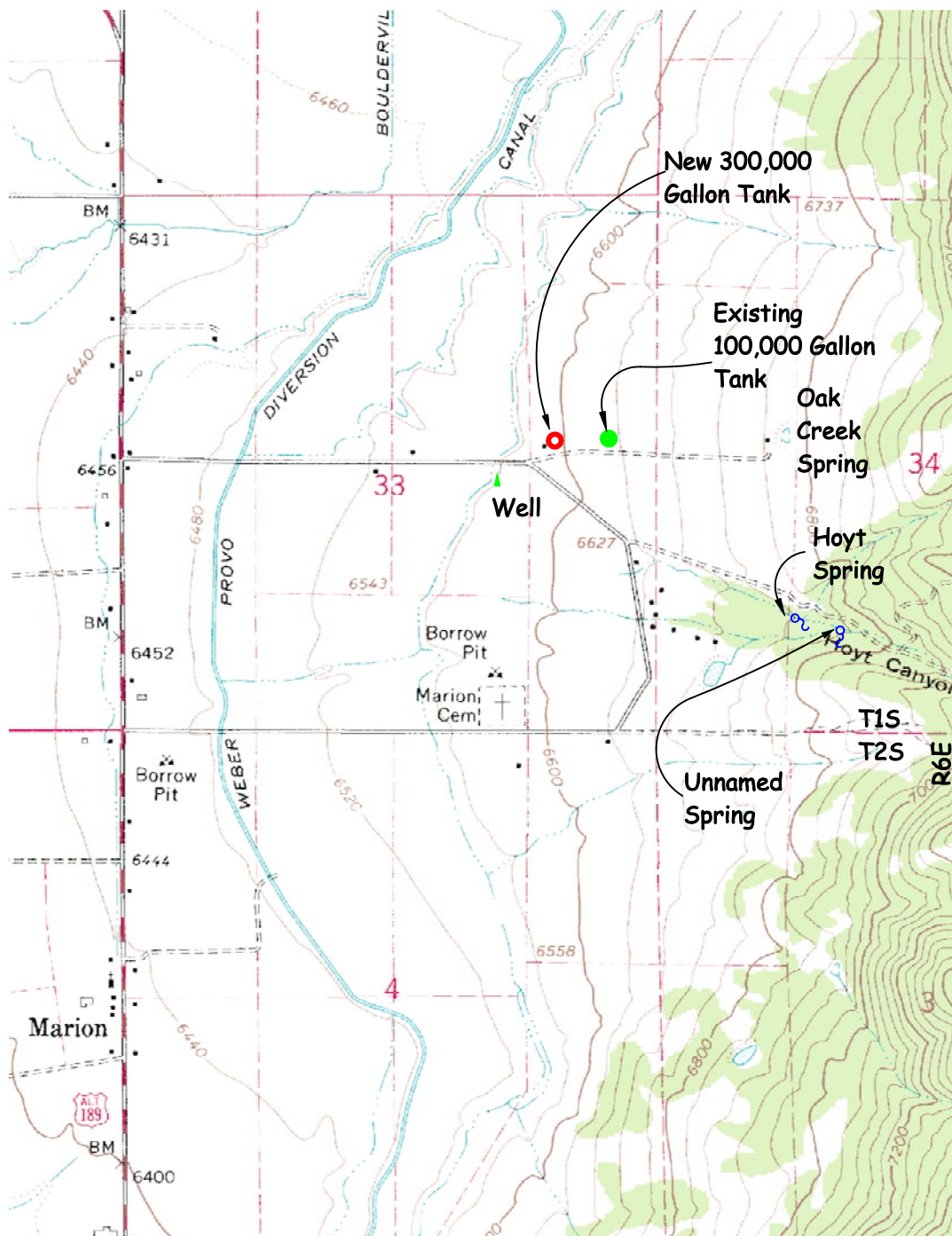
PROJECT
CONTACT
PEOPLE:

President:

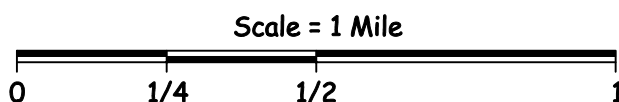
Marve L. Mitchell
1782 North Hwy. 189
Marion, Utah 84036
Phone: (435) 783-4486

Secretary:

Antoine Powell
2815 North Hwy. 189
Marion, Utah 84036
Phone: (435) 783-4886



MARION WATERWORKS COMPANY
Culinary Project
Summit County



BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **L-540**

Received: 2/6/01

Approved: 3/8/01

To be Presented at the June 8, 2001 Board Meeting

SPONSOR: **PRICE CITY**

Mayor: Louie Colosimo

LOCATION: The proposed project extends from Price City to about 12 miles up the Price River Valley in Carbon County.

EXISTING CONDITIONS & PROBLEMS: The city supplies culinary water to about 3,600 connections in Price, plus another 200 connections outside the city boundaries. Water is collected from the Price River and a spring, treated at a treatment plant in Price Canyon, then transmitted in pipeline 12 miles to town. As additional water is needed, the city has a cooperative agreement with the Price River Water Improvement District. In an emergency, the city also has a cooperative agreement with Pacificorp to draw water from two wells.

When water from the 12 mile-long transmission pipeline system reaches Price, it enters two 2 million gallon (MG) steel storage tanks, and is then pumped uphill to a 10 MG concrete tank in northwest Price. The city also has a 3.0 MG steel tank on its northeast side.

The transmission pipeline, which consists of 12 and 16-inch diameter, is 40-60 years old and cannot adequately handle the pressure necessary to send water directly to the 10 MG tank. Since breaks increase as more water is put into the transmission pipe, the treatment plant is not currently operated above 75% capacity. Also, the city estimates the 12 and 16-inch pipeline leaks about 20% of the water transmitted annually.

PROPOSED PROJECT: Price is requesting financial assistance from the board to replace the 12 and 16-inch transmission pipeline, from the treatment plant to the distribution network in town, with a 20-inch high pressure pipeline. Hansen, Allen & Luce is providing technical assistance.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need.)

COST ESTIMATE: The following cost estimate is based on the engineers preliminary design and has been revised by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$200,000	\$200,000
2.	20-inch HDPE Pipeline	62,100 LF	110	6,831,000
3.	Connection to Water Treatment Plant	LS	15,000	15,000
4.	Waterway Crossings	8 EA	17,000	136,000
5.	Railroad/FiberOpticLine Crossings	3 EA	20,000	60,000
6.	Air & Vacuum Valve Station	6 EA	5,500	33,000
7.	Pressure Regulating Station	12 EA	40,000	480,000
8.	8-inch Connections, Meter, & PRV	2 EA	8,000	16,000
9.	Altitude Valve Sta.	LS	65,000	65,000
Construction Cost				\$ 7,836,000
Contingencies				784,000
Legal and Administrative				205,000
Design and Construction Engineering				1,175,000
TOTAL				\$10,000,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Market Loan	\$ 4,750,000	48%
Board of Water Resources	1,000,000	9
Drinking Water Board (Loan)	2,475,000	25
Drinking Water Board (Grant)	275,000	3
CIB (Proposed Grant-Aug. 2001)	500,000	5
Sponsor	<u>1,000,000</u>	<u>10</u>
TOTAL	\$10,000,000	100%

If the board authorizes the project, it is suggested that the board participate in an interest rate buydown with the city. The market loan would be repaid in 20 years at 5% interest with the first payment in 2003. The \$1,000,000 bonded indebtedness to the board would be repaid in 15 years at 0% interest beginning in 2009, with payments ranging from approximately \$34,000 to \$181,000 (includes reserves).

ECONOMIC
FEASIBILITY:

Price City's replacement of its transmission pipeline is economically feasible because there is no alternative except to do nothing. Entering into a joint program for water development with Price River Water Improvement District has been explored, but does not meet the needs of either entity. Since no alternative sources or choices have been discovered, the benefit/cost ratio is assumed to be 1.0.

FINANCIAL
FEASIBILITY:

Based on the board's current water service affordability guidelines, Price City residents could pay up to \$32.25 monthly for water. The cost of water with the proposed project, based on 3,846 projected equivalent residential connections in 2003, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance	\$ 594,500	\$ 12.88
Existing Bond (thru 2021)	172,180	3.73
Existing Bond (thru 2016)	64,500	1.40
Existing Bond (thru 2008)	42,362	0.92
Drinking Water Loan (thru 2022)	197,893	4.29
Market Loan (thru 2022)	429,749	9.51
Proposed BWRe Loan	<u>0</u>	<u>0</u>
TOTAL	\$1,501,184	\$ 32.53

The city currently charges residences \$14.99/10,000 gallons with overage charges of \$1.61/thousand. Commercial

connections pay \$17.14/10,000 gallons with overage charges of \$1.85/thousand from 10,001 to 50,000 gallons, \$2.01/thousand from 50,001 to 150,000, \$2.25/thousand from 150,001 to 500,000, and \$2.74/thousand over 500,000. The city plans to raise water rates to pay for the proposed project.

BENEFITS: The project will provide the city with a new transmission line with increased capacity. It will save an estimated 500 acre-feet annually currently leaking from the existing pipeline.

PROJECT SPONSOR: Price City was incorporated in 1911. City population was 9,086 in 1980, 8,712 in 1990, and 9,217 in 2000. The Governor's Office of Planning and Budget projects an average annual growth rate of 0.8% over the next 20 years. With the current energy situation, it is possible there will be increased coal development in the Price area, leading to population growth exceeding OPB's estimate.

Price received funding from the board in 1981 to build its 3.0 MG tank and install pipeline; that \$200,000 loan has been repaid.

WATER RIGHTS & SUPPLY: The city has the following water rights:

<u>Source</u>	<u>Water Right No.</u>	<u>Quantity (Ac-Ft)</u>
rice River	91-341	540
Colton Springs	91-75	474.5
Unnamed Springs	91-349	480
Unnamed Springs	91-373	350.4
Wells	91-4809	3316.65
	91-4808	1291.83
Scofield Reservoir	shares	930

In addition, the city owns about 1,475 acre-feet in several surrounding irrigation companies, and has water rights in a proposed reservoir on the White River and on Gordon Creek.

With the savings in water presently lost to leakage, the city anticipates its water rights will be more than adequate to meet demand through 2018.

ENVIRONMENTAL: The city will work to assure that environmental disruption is minimized as the majority of the new transmission

pipeline is installed along the alignment of the existing pipe.

WATER
CONSERVATION:

The city has already completed a Water Management and Conservation Plan, which includes a 10% reduction in water use. According to the plan, with 10% conservation the city's water supply will be adequate through 2018.

The city is developing a demonstration garden in an attempt to further promote water conservation through the display of low water demand plants and xeriscaping, including incorporation of mulched flower and brush areas, low-demand exotic plants, and hardscaping. The garden will also feature a weather station.

Staff can assist the city in analyzing a more progressive, inclining block overage schedule as part of its residential rates.

SPONSOR-S

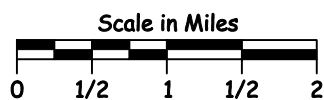
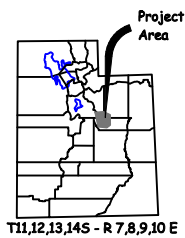
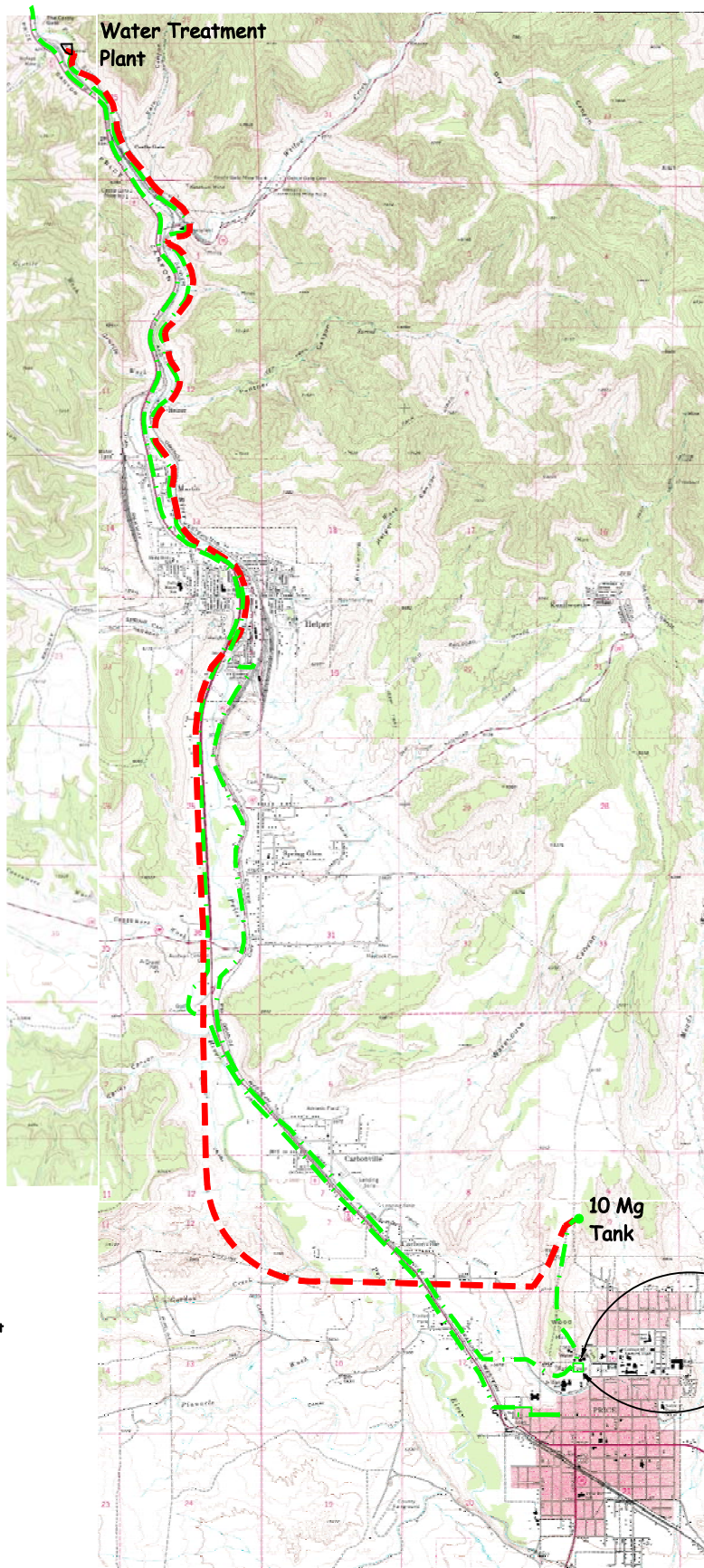
RESPONSIBILITIES: The city will be required to make all arrangements to sell the board a non-voted revenue bond as well as verify it has adequate water rights and rights-of-way to construct the project. If the project is authorized, a list of requirements and procedures necessary to close the loan will be furnished to the city.

PROJECT
CONTACT
PEOPLE:

Mayor: Louie Colosimo
185 E. Main Street
Price, UT 84501
Phone: (435) 637-5010

City Engineer: Gary Sonntag, PE
185 E. Main Street
Price, UT 84501
Phone: (435) 637-5010

Engineer: Hansen, Allen & Luce, Inc.
P.O. Box 777
Price, UT 84501
Phone: (435) 637-5032 x440



- Existing Pipeline
- Proposed Pipeline

PRICE CITY
Proposed Transmission Pipeline
Carbon Co

BOARD OF WATER RESOURCES
Committal of Funds
Revolving Construction Fund

Appl. No.: **E-046**
Received: 1/25/01
Approved: 3/8/01
Authorized: 4/20/01

To be Presented at the June 8, 2001 Board Meeting

SPONSOR: **GREEN RIVER CANAL COMPANY**

President: Tim Vetere
P.O. Box 404
Green River, UT 84525
Phone: (435) 564-8115

LOCATION: The proposed project is located about six miles north of Green River City in Emery County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to install a measuring flume in its canal.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$35,000	100%
Sponsor	<u> 0 </u>	<u> 0 </u>
TOTAL	\$35,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the sponsor will purchase the project with annual payments of \$3,200 at 0% interest over approximately 11 years.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation & Development Fund

Appl. No.: **L-537**
Received: 12/4/00
Approved: 1/19/01
Authorized: 3/8/01

To be Presented at the June 8, 2001 Board Meeting

SPONSOR: **RIVER HEIGHTS CITY**

Mayor: Ralph G. Degn
520 South 500 East
River Heights, UT 84321
Phone: (435) 752-6172

LOCATION: The proposed project is located in and east of River Heights, just south of Logan in Cache County.

PROJECT SUMMARY: The city is requesting financial assistance from the board to improve its culinary water system by constructing a 920,000 gallon concrete storage tank, upsizing and replacing a transmission pipeline from the new tank to the distribution network, and upgrading parts of the distribution system.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 839,000	80%
Sponsor	<u>210,000</u>	<u>20</u>
TOTAL	\$1,049,000	100%

REPAYMENT: If the board commits funds to the project, it is proposed the repayment terms remain as authorized: the bonded indebtedness of \$839,000 will be repaid at 5% interest over 17 years with annual payments ranging from approximately \$77,600 to \$83,300.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **D-958**

Received: 5/5/97

Approved: 5/9/97

Authorized: 9/19/97

To be Presented at the June 8, 2001 Board Meeting

SPONSOR: **PINTURA IRRIGATION COMPANY**

President: Wes Payton
2249 South 2350 East
St. George, UT 84790
Phone: (435) 986-9266

LOCATION: The proposed project was to be located in and around the community of Pintura, which is about 26 miles northeast of St. George in Washington County.

SUMMARY: The board authorized \$182,000 (34%) to the sponsor to help install a pressurized irrigation system over about 134 acres. It was proposed that the main transmission pipeline carrying water to the project's regulating pond and distribution system would be paid for by the Washington County Water Conservancy District, which was to provide nearly 2/3 of the total project cost.

Because the sponsor is unable to reach an agreement with the conservancy district and cannot afford to build the project itself, staff recommends the Pintura application to the board be deauthorized and withdrawn from further consideration.

BOARD OF WATER RESOURCES
Special Item
Withdrawal
Revolving Construction Fund

Appl. No.: **D-988**
Received: 9/17/98
Approved: 9/18/98

To be Presented at the June 8, 2001 Board Meeting

SPONSOR: ***PIUTE RESERVOIR & IRRIGATION COMPANY***

President: Kurt Sorenson
280 South 100 West
Centerfield, UT 84622
Phone: (435) 528-7837

LOCATION: The proposed project was to be located from 2-6 miles west of Centerfield Town and Gunnison City in Sanpete County.

SUMMARY: The sponsor requested assistance to line approximately 15 miles of canal using a process known as bentonite mixing. Because the sponsor did not receive CUP grant funds, however, and because interest in doing the project has waned, staff recommends the application be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Special Item

Application Summary, Feasibility Report, and Committal of Funds

Revolving Construction Fund

Appl. No.: **E-054**

Received: 5/9/01

To be Presented at the June 8, 2001 Board Meeting

SPONSOR: **TORREY IRRIGATION COMPANY**

President: Phillip G. Pace

LOCATION: The proposed project is located about 2½ miles west of Torrey Town in Wayne County.

EXISTING CONDITIONS & PROBLEMS: The sponsor's canal diverts at the Bicknell Narrows on the south side of the Fremont River, then crosses the river in an "inverted siphon" or sag pipeline to get the water to the north side where the town and farmland are located; about 1,600 acres are currently irrigated.

The pipe crossing the river is about 1,200 feet long and consists of 200 feet of 36-inch steel going down a hill, then 1,000 feet of 48-inch steel going across the valley and river, then up a hill where it discharges back into the canal. Leaks in the 36-inch portion, in service since the 1950s, recently developed, necessitating the replacement of it plus a concrete headwall. Because of the emergency nature of the problem (the pipe is so critical to the system the sponsor would be completely without water if it failed), the sponsor went to work immediately getting it replaced. A canal failure also occurred this spring that the sponsor had to repair.

The 48-inch steel pipe portion of the pipeline was installed in the mid-1970s and is in good condition.

The gate and lift assembly at the head of the canal are broken and need to be replaced; the sponsor

plans to look into doing that work when water is taken out of the canal this fall.

PROPOSED
PROJECT:

The sponsor is requesting financial assistance from the board to pay for the replacement of the 200 feet of 36-inch steel pipe and concrete headwall, plus repairs made to the canal. Engineering services are being provided by Don Naser.

COST ESTIMATE:

The following costs are based on invoices provided by the contractor, Jackson Excavation, Inc.:

<u>Ite</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u> <u>Price</u>	<u>Amount</u>
1.	Canal Repair	LS	\$6,018	\$ 6,018
2.	Piping			
	a. 36-inch Steel Pipe	200 LF	67.61	13,522
	b. Welding	LS	1,125	1,125
	c. Labor	LS	1,500	1,500
	d. Equipment Fee	LS	3,315	3,315
3.	Headwall/Inlet Structure	LS	7,300	<u>7,300</u>
Construction Cost				\$32,780
Legal, Administrative, and Engineering				<u>3,220</u>
TOTAL				\$36,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 30,000	83%
Sponsor	<u>6,000</u>	<u>17</u>
TOTAL	\$ 36,000	100%

If the board authorizes the project, it is suggested it be purchased with annual payments of \$3,000 at 0% interest over approximately 10 years.

The sponsor requests annual payments of \$1,500 at 0% interest over approximately 20 years.

FINANCIAL
FEASIBILITY:

The sponsor currently charges \$4.25/share for irrigation water, with four shares generally needed per acre. This \$17/acre cost will increase to just under \$19 if the annual payment to the board suggested by staff is authorized.

BENEFITS: The project is necessary to keep the sponsor's irrigation system functioning.

PROJECT
SPONSOR: Torrey Irrigation Company has been operating since 1904, has been incorporated in its current form since 1963, and is presently registered in good standing with the state Department of Commerce. The company provides agricultural water to 1,576 agricultural acres and lawn and garden water to 25 homes.

The company received assistance from the board in 1977 to replace about 1,000 feet of old 36-inch sag pipeline, crossing the Fremont River, with new 48-inch steel. The project, which has been purchased from the board, also included the installation of canal gates and water measurement structures.

WATER RIGHTS
& SUPPLY: The sponsor has the following Class A and B water from the Fremont River:

Class A

<u>WRNUM</u>	<u>Flow (cfs)</u>
95-540	2.00
95-541	2.75
95-542	0.66
95-4679	5.00
95-4743	1.00

Class B

By virtue of the 1935 Bates Decree, 35 cfs from March 1 through October 31.

ENVIRONMENTAL: Since the project replaced/repaired existing facilities, the impact of the new work on the environment was minimal.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes and commits funds to the project, the sponsor must do the following before a contract can be signed with the board.

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

- a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.
- b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.

3. Have its attorney give the Board of Water Resources a written legal opinion:

- a. That the company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
- b. That the company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
- c. That the company has obtained all easements, rights-of-way, and permits required for the project and that they can be legally transferred to the Board of Water Resources.
- d. That the company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land irrigated by the project.

4. Obtain approval of final plans and specifications from the Division of Water Resources.

5. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

6. Obtain an IRS Employer Identification Number.

PROJECT
CONTACT
PEOPLE:

President:

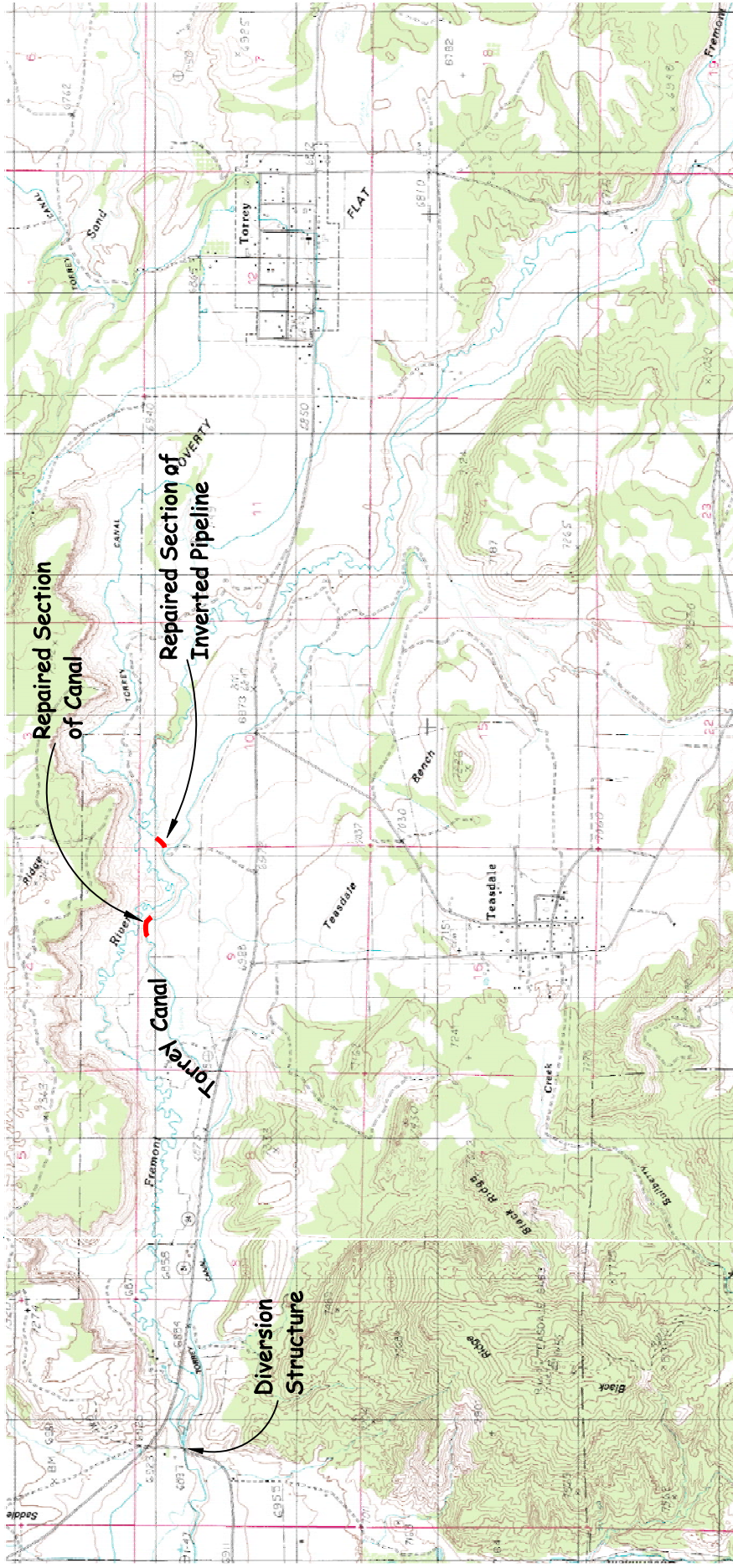
Phillip G. Pace
185 North 200 West
Torrey, UT 84775
Phone: (435) 425-3474

Secretary:

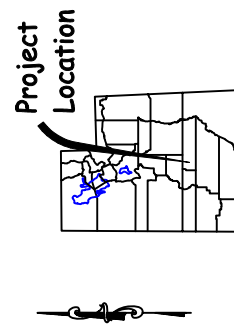
Cathy Bagley
Box 750009
Torrey, UT 84775
Phone: (435) 425-3200

Engineer:

Don Naser, PE
408 West 100 South
Redmond, UT 84652
Phone: (435) 529-7434



TORREY IRRIGATION COMPANY **Repair of Ditch and Inverted Pipeline** **Wayne County**



T295,R4E, Section 9, USB&M

Scale = 1 Mile
 0 1/2 1

BOARD OF WATER RESOURCES

Special Item

Request for Water Right Exchange

To be Presented at the June 8, 2001 Board Meeting

SPONSOR: ***DRAPER IRRIGATION COMPANY***

General Manager: Michael Bevans
P.O. Box 275
Draper, UT 84020
Phone: (801) 571-2232

SUMMARY: Draper Irrigation Company is requesting permission from the Board of Water Resources to make a second exchange of water rights, the title to which is presently held by the board for the company's water projects.

On December 10, 1999, the board approved, with conditions, the exchange of water rights between Draper Irrigation Company (Draper) and Mr. John Jacob (Jacob) for the mutual benefit of both parties. The exchange was subsequently made, but for a lesser amount than approved by the board because the change application for Jacob's water was approved by the State Engineer for less than anticipated.

The parties are now requesting permission to make a second exchange in which Draper would receive a right to 1,859.28 acre-feet from the Jordan River and Jacob would receive a right to 1,239.52 acre-feet from Utah Lake. The exchange allows both parties to use water from sources closer to the places of use, and Draper will receive approximately 1½ times more water than it gives up, with an earlier priority date. The change applications for both water rights have been approved by the State Engineer.

STAFF
RECOMMENDATION: If the board approves the request to exchange the additional water rights, staff recommends it be done on condition that: 1) Draper's legal counsel provide the board with a written opinion confirming ownership, good standing, and transferability of the water rights to be assigned to the board; 2) the board's counsel must concur the required transfer documents are adequate; and 3) the exchange must be accomplished through a simultaneous closing so as not to interrupt the board's secured position, and with the involvement and approval of the board's counsel.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-055**

Received: 5/21/01

SPONSOR: **HERRIMAN PIPELINE & DEVELOPMENT COMPANY**

President: Lynn Egbert
356 North Pioneer Street
Herriman, UT 84065
Phone: (801) 597-9061

LOCATION: The proposed project is located in and adjacent to
Herriman City in southwestern Salt Lake County.

PROPOSED PROJECT: The sponsor is requesting assistance to improve its
culinary water system by constructing a million
gallon storage tank, and upgrading an existing well
to meet culinary standards.

WATER RIGHTS: In the name of the board.

COST ESTIMATE: \$700,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **L-541**
Received: 5/14/01

SPONSOR: **TOWN OF BRIAN HEAD**

Mayor: H.C. (Dutch)
Deutschlander
P.O. Box 190068
56 North Highway 143
Brian Head, UT 84719
Phone: (435) 677-2029

LOCATION: The proposed project is located in Brian Head, about nine miles south of Parowan in Iron County.

PROPOSED PROJECT: The town is requesting assistance to improve and enlarge its culinary water system by developing a new water source, upgrading the storage and distribution systems, and acquiring new water rights.

WATER RIGHTS: The town has rights of 234.66 acre-feet/year from the Gurr Well, and also leases 331 acre-feet/year in Parowan Reservoir.

COST ESTIMATE: \$3,600,000

Unapproved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

April 20, 2001

Room 314
Division of Water Resources
1594 West North Temple
Salt Lake City, UT

BOARD OF WATER RESOURCES

Briefing Meeting
April 20, 2001

The Board of Water Resources met in a Briefing Session on April 20, 2001 at 9:00 a.m. in Room 314 at the Utah Division of Water Resources, 1594 West North Temple, Salt Lake City, Utah.

The following people were in attendance:

BOARD MEMBERS

Lucille Taylor
Warren Peterson
Paul Riley
Larry Ross
Harold Shirley
Cleal Bradford
Bill Marcovecchio

Dr. M. Karlynn Hinman was excused

STAFF MEMBERS

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Assistant Director
Steve Wilde, Chief, Investigations
Nancy Fullmer, Administrative Secretary
Eric Millis, Chief, River Basin Planning
Todd Stonely, Engineer

VISITORS

Stephen Allred, Legislative Analyst
Mike Quealy, Attorney General's Office

Chair Lucille Taylor called the briefing meeting to order and welcomed everyone. She talked about her recent three-week trip to Greece.

DISCUSSION OF PROJECTS

Director Anderson explained the setup of the Green River Canal Company. He said the sponsor is in the process of installing screens to keep fish out since several of the Colorado River pike minnow have been found in the canal. That part of the project is being financed out of the state's Endangered Species Mitigation Fund, but the canal company is responsible for the maintenance. He also mentioned an on-going lawsuit between the sponsor and the owner of a privately owned power plant upstream from the canal. The courts will make no decision until the sponsor can measure the amount of flow in its canal, which will require a measuring device. Therefore, the sponsor is requesting assistance from the board to install a measuring flume in the canal. The company is also requesting the board to cost-share on its radial gates replacement project that was completed last year. The board members asked if the board could finance a project that was already completed. Director Anderson said historically the Board has not refinanced projects. Staff suggested the board could provide the entire cost of the weir and have the sponsor's portion of the cost sharing include the radial gates and keep the repayment at 11 years as suggested in the report.

Chair Taylor said when the board committed funds to the Levan Irrigation Company, the sponsor expected to receive grant funds from the Central Utah Water Conservancy District Conservation Credit Program. However, the company did not receive the grant so it is requesting additional funding from the board to install laterals off the 24-inch main pipeline and to pay the additional costs for the regulation pond and turbulent fountain that cost more than the engineer's estimate. Staff said the sponsor should lobby the Central Utah Water Conservancy District for funds since the company is assessed taxes by the district. They also suggested if the sponsor does receive additional funds, the money should be given to the board.

Steve Wilde said the Mona Irrigation Company was requesting authorization and committal of funds for a pressurized secondary irrigation system for the town. The sponsor received a grant from the Central Utah Water Conservancy District, which required the project to be in place for this growing season; therefore, the project is currently under construction. Chair Taylor said the sponsor did not think it would get the grant but it was approved so the company had to start construction before it got authorization from the board. Staff said the company has completed most of the sponsor's responsibilities required for committal of funds.

Mr. Wilde said the White City Water Improvement District requested authorization and committal of funds from the board to construct a three-phased culinary water system improvement project. A few days ago he received a phone call from the attorney saying he could not complete the attorney's opinion required for contracting with the board because of existing liens on the water. Therefore, the district will need to sell the board a bond that will take longer to complete so there is no

reason to commit funds at this time. There was considerable discussion about the relationship between the district and the water company.

Chair Taylor expressed her concerns about funding for the Dam Safety Program. She wants the legislature to be aware of the on-going need for appropriations for the dam safety projects. Dennis Strong explained the board is only spending money that is appropriated to fix the “saggers and leakers”. The program is to bring existing dams up to current standards so the numbers should get smaller. Most of the dams currently being reviewed should not require as much work. It is an on-going program, but the dams should be in better shape. Stephen Allred, legislative analyst, said the legislature did not appropriate any money for dam safety because it is already set in the law. If the appropriations need to be increased, the law will need to be changed. Director Anderson said staff made a request for additional funding from the one-time surplus funds but it was not recommended in the Governor’s budget.

Warren Peterson expressed his concerns about the massive spillways required under the Dam Safety Program. He feels the money is being wasted and water projects are being deferred. He would like an economic feasibility report done comparing dam safety projects and water projects. There was considerable discussion about the pmf and pmp calculations.

Paul Riley expressed his concerns about the request for additional funds from Utah State University to upgrade Logan First Dam. He asked them to come to the board meeting to answer questions.

The board members discussed the request from Weber Basin Water Conservancy District for committal of funds for phase I of its \$34 million project. The first phase consists of transporting water from the Layton Canal to the Kaneshville Irrigation Company service area. Operations of the irrigation company were recently taken over by the district, which includes repaying the company’s loan to the board.

Mr. Wilde said the proposed cost estimate and sharing remain the same as the board authorized for the High Valley Water Company. He said one of the stockholders opposed to the project might be at the board meeting to voice his opinion.

Steve Wilde explained the request from Nibley City. He said the city received a larger CDBG grant and has added extra items to its project, which about doubled the project cost. Paul Riley said the project should be deferred if no one representing the city attends the board meeting to answer questions.

Warren Peterson asked why Providence City was requesting funds from the board since they received funds from the Drinking Water Board. Dennis Strong said part of it is a staff problem, and the bond resolutions have already been adopted.

STATE WATER PLAN

Lloyd Austin said staff incorporated many of the comments received into the state water plan, “Utah’s Water Resources – Planning for the Future”. Todd Stonely has been the primary author of the document. Staff would like approval from the board to publish the final document with minor revisions. He said the board members could submit their comments on the report until next Friday.

Chairwoman Taylor complimented the staff on the way the report was written. Cleal Bradford concurred with Ms. Taylor’s comments on the quality of the report. He then made a motion to authorize staff to publish the final document after additional comments are received. Bill Marcovecchio seconded, and the Board unanimously agreed. Director Anderson said the report will be sent to a printer and the pictures and graphs will be in color. He encouraged the board members to review the report and give staff their comments. Mr. Austin asked the Board members to sign the signature page of the document.

Mr. Austin said staff is planning to redo the plans for each of the river basins. “Utah’s Water Resources – Planning for the Future” was viewed as summarizing what was learned from the basin plans, but now staff wants to look at future plans. Staff will concentrate on the areas that are changing the most. The Bear River Basin plan is currently being updated, and this summer staff will start work in the Cedar-Beaver area and the St. George area.

SPECIAL ITEMS

Dennis Strong explained why the Bristlecone Water Improvement District project was being presented to the board since the sponsor had not completed all of the items required for committal of funds. He referred to the Letter of Conditions staff sent the sponsor after the board authorized the project, and he discussed several of the items that have not been completed. The district is requesting the board change some of the conditions. After a lengthy discussion, the board agreed to listen to the district and to also allow comments from people opposed to the project. Michael Quealy from the Attorney General’s office expressed his concerns about the process the district followed in constructing the project. He also said he had concerns about the water rights. He said the district was told if they started construction of the project before funds were committed, they were at their own risk.

Director Anderson referred to a memo in the board folder regarding Mountain Regional Water Special Service District trying to condemn Summit Water Distribution Company’s water system. He said the board authorized projects for both entities but at this time staff does not intend to present either of the projects for committal of funds until the issues are resolved. Even though Summit Water Distribution Company has started construction on its treatment plant, the board has no financial

obligations since no agreement has been signed. Staff will not recommend funding to help pay for the pending lawsuits.

Chair Taylor said at the last board meeting, Milo Barney briefed the board about the situation with the Strawberry Water Users and the Central Utah Water Conservancy District. She said the situation has not changed and the district is suggesting alternative projects without the Strawberry Water Users.

JUNE BOARD TOUR

Dennis Strong mentioned the tentative arrangements for the Board tour on June 7 to the Bear River Bird Refuge and the Washakie dam site.

OTHER ITEMS

Director Anderson talked about some of the water conservation research studies being conducted by staff. Lloyd Austin explained the process of the “smart timers” currently being used in California. The division has ordered some of the timers to be used in some of the studies being conducted throughout the Salt Lake Valley.

Warren Peterson informed the board members about a committee he serves on to review proposed legislation regarding partial forfeiture of water rights and the ability of shareholders to file their own change application with the approval of the company. He read the list of the members of the Executive Committee on Water Rights, which is comprised of representatives from throughout the state. He said he would give the board members a copy of the list and a draft of the committee’s proposal. The committee members are open for suggestions and comments.

The briefing meeting adjourned about noon. Director Anderson showed a video of the Mexican Delta during lunch and talked about some of the environmental concerns.

Unapproved
MINUTES
BOARD OF WATER RESOURCES MEETING
April 20, 2001

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the March 8, 2001 Board meeting were approved as prepared. page 1
2. The Board authorized the Green River Canal Company project in the amount of \$35,000 for installation of a measuring device, to be returned in 11 years at 0% interest. page 2
3. The Levan Irrigation Company contract was amended to increase the committal of funds to \$1.02 million (85%) to be returned at 0% interest over 25 years with escalated repayments, and if any CUPCA funds are received a portion will be paid to the Board as part of the repayment. page 3
4. The Bristlecone Water Improvement District project was not reconsidered. page 3
5. Funds were authorized and committed to the Mona Irrigation Company project in the amount of \$326,000 (34%) to be returned in approximately 20 years at 0% interest with escalated repayments. page 4
6. The White City Water Improvement District project was authorized in the amount of \$2.085 million (75%) to be purchased with annual payments of \$270,000 at 5% interest over approximately 10 years. page 5
7. The contract for the Utah State University (Logan First Dam) was amended in the amount of \$3.320 million (80%) in grant funds. page 6
8. Funds were committed for Phase I of the Weber Basin Water Conservancy District project in the amount of \$531,000 (85%) to be repaid at 4% interest over approximately 15 years with escalating repayments. page 6
9. The Board committed funds to the High Valley Water Company in the amount of \$317,000 (85%) to be purchased with annual payments of \$19,400 at 2% interest over approximately 20 years. page 6
10. Funds were committed to the Red Creek Irrigation Company project in the amount of \$42,500 (71%) to be returned with annual payments of \$5,000 at 0% interest over approximately nine years. page 6
11. The Board committed funds in the amount of \$173,000 (37%) to Nibley City to be repaid in 15 years at 5% interest with annual payments of approximately \$17,000. page 7
12. Funds were committed to Providence City in the amount of \$440,000 (25%) to be repaid in five years at 0% interest with annual payments of \$88,000. page 7
13. The Board committed funds to Willard City in the amount of \$425,000 (80%) to be repaid at 5% interest over 10 years with annual payments of approximately \$61,000. page 8
14. Lucille Taylor and Warren Peterson were re-elected by acclamation for one more year as Board chair and vice-chair respectively. page 8

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, April 20, 2001 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Lucille Taylor presided over the 1:00 p.m. meeting.

BOARD MEMBERS PRESENT:

Lucille Taylor
Warren Peterson
Cleal Bradford
Karlynn Hinman
Larry Ross
Paul Riley
Bill Marcovecchio
Harold Shirley

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Ron King, Public Affairs Officer
Steve Wilde, Chief, Investigations
Shalaine DeBernardi, Engineer
Gina Hirst, Engineer
Tom Cox, Engineer
Dan Aubrey, Geologist
Val Anderson, Engineer
Russ Hadley, Engineer

OTHERS PRESENT:

Wayne Pullan, Planning & Water Resource Chief, Bureau of Reclamation
Wayne Thomas, District Engineer, Dept. of Environmental Quality

Tim Vetere, President, Green River Canal Co.
Edwin Lee, Zions Bank Public Finance

OTHERS PRESENT CONT'D.

Golden Mangelson, President, Levan Irrigation Company
Robert B. Shepherd, Board member, Levan Irrigation Company

Neil Foster, Manager, Bristlecone Water Improvement District
Rick Hafen, Attorney, Bristlecone Water Improvement District
Barry Brouillet, vice-president, Bryce Canyon Resorts, LLC
Ted Davis, CPA, Hughes, Fuller & Co. LLP
Shawn Draney, Snow, Christensen and Martineau
Rod Syrett, Ruby's Inn
Kathern Syrett, Ruby's Inn
Jean Seiler, Mayor Tropic Town

Gordon Young, President, Mona Town

Jeff Budge, General Manager, White City Water Improvement District
Daron LeBlanc, Director, Sunrise Engineering
Paul H. Ashton, White City Water Improvement District

Stanley G. Kane, Director, Utah State University
John Fitch, Project Coordinator, USU Facilities Design and Construction
Bob Davis, Project Engineer, DMJM for Utah State University

Mark Anderson, District Engineer, Weber Basin Water Conservancy District
Darren Hess, Civil Engineer, Weber Basin Water Conservancy District

Jeff S. Masters, High Valley Water Company

H. Jay Nelson, Mayor, Nibley City
Larry Anhder, City Administrator, Nibley City

Alma H. Leonhardt, Mayor, Providence City
Skarlet Bankhead, City Recorder, Providence City
Dave Miner, Financial Advisor, Providence City

MINUTES
BOARD OF WATER RESOURCES MEETING
April 20, 2001

Chair Lucille Taylor welcomed everyone and called the meeting to order.

APPROVAL OF MINUTES

Harold Shirley made the motion, seconded by Paul Riley to approve the minutes of the March 8, 2001 meeting as prepared. The Board agreed.

CHAIR'S REPORT

Warren Peterson said Chair Taylor challenged him to develop a sense of humor. Mr. Peterson read to the Board "Top Ten Ways to Tell if You're a Farmer".

WATER SUPPLY REPORT

Randy Julander reported the real good news is only half of the state is in terrible shape. Most of southern Utah is either 100% or all the way up to 180% of average so far this month. For the water year precipitation in the north was around 80%, while the south was closer to average or even a little above.

Mr. Julander said the snowpack last year on the Bear, the Weber, the Provo and even the Uinta Basin was between 80-100% and it converted into 20 to 50% runoff. A tremendous amount of snowpack was lost last year to soil moisture. This year we have double to triple the soil moisture than last year and already there has been improved runoff conditions. There has been a better conversion into runoff of what little snow we received.

He said reservoir storage for the most part is in good condition, however because of the low streamflow the reservoirs will quickly start to decline after they've reached capacity.

FEASIBILIITY REPORT

#E046 Green River Canal Co.

Chair Lucille Taylor introduced Mr. Tim Vetere. Shalaine DeBernardi reported the canal company diverts water from the Green River for municipal and agricultural irrigation use in Green River City and on lands nearby. The diversion provides water to the company's canal and to a privately-owned powerhouse immediately upstream from the canal.

There is an ongoing lawsuit between the company and the power plant owner. The company feels the plant uses too much water and that its operation stirs up sediments from the river bottom, which is then deposited in the company's canal. A decision will not be made by the courts until the company can prove what the amount of flow in its canal is; this requires a measuring device, which does not exist.

The company is therefore, requesting financial assistance to install a measuring flume in the canal. The company also is requesting the Board cost-share on a radial gates replacement project completed last year. The estimated cost of the project is \$55,000. Technical assistance is being provided by the Bureau of Reclamation in Boise, Idaho.

Mr. Vetere explained the radial gates were installed last year because the water was so low, and they borrowed from a bank to receive the money quickly. He asked the Board's consideration in accepting this as part of the proposed project.

Cleal Bradford said he had talked to Mr. Vetere and explained the Board's policy does not allow additional money for projects (radial gates) already completed. He made the motion to authorize funding in the amount of \$35,000 for installation of a measuring device, to be returned in 11 years at 0% interest. Bill Marcovecchio seconded the motion and it was agreed upon by the Board.

SPECIAL ITEMS

#E025 Levan Irrigation Company

Chair Taylor introduced Golden Mangelson, president; and Robert Shepherd, board member. Val Anderson reported the irrigation company received committal of funds for an irrigation improvement project in the amount of \$697,000, last December. After the bids were received, they were about \$200,000 higher than originally estimated. The company also anticipated obtaining a Central Utah Water Conservancy District Conservation Credit Program grant in the amount of \$230,000 to help install company and pump laterals off the 24-inch PVC mainline. The company did not receive the CUP grant, and must now raise the additional funding required for installation of the laterals. It is now requesting those items be part of the overall project. This would bring the total cost to \$1.2 million.

Golden Mangelson expressed appreciation to the Board for its financial help in the past, and said they had been able to accomplish a lot of things over the years because of the participation received from the Board. He said the company was surprised they didn't receive any CUP money as the company has been taxed since 1956 and has not received any benefits as yet. If any are received they will repay some to the Board.

Bill Marcovecchio asked what economic benefit the company would receive. Mr. Mangelson said they have been irrigating with an open-ditch and with the change to sprinklers, crop production should increase as it will be more efficient.

Cleal Bradford made the motion to amend the Levan Irrigation Company contract to increase the committal of funds to \$1.02 million (85%) to be returned at 0% interest over 25 years with escalated repayments, and if any CUPCA funds are received a portion will be paid to the Board as part of the repayment. Karlynn Hinman seconded the motion, and it was agreed upon by the Board. Warren Peterson abstained from voting.

#E026 Bristlecone Water Improvement District

Chair Taylor introduced Neil Foster, district manager; Barry Brouillette, vice-president; Ted Davis, accountant; and Rick Hafen, attorney. Russ Hadley reported the Board authorized \$935,000 to Bristlecone Water Improvement District for a drinking water system improvement project. Subsequent to authorization division staff sent a "Letter of Conditions" to the district outlining what it *must* do to sell the Board a bond to receive state funds for construction, engineering and other expenses. Progress in completing these items has been slow, and it appears some of the conditions will not be met.

Mr. Foster and Mr. Hafen explained why some of the conditions were not met. They said the system has been constructed and the district was not able to follow the normal bidding process because of emergency conditions.

Chair Taylor introduced Rod and Kathern Syrett from Ruby's Inn; Shawn Draney, an attorney with Snow, Christensen and Martineau; and Jean Seiler, Mayor of Tropic Town. They each spoke about concerns with the project. Wayne Thomas from the Division of Drinking Water explained the division's involvement in the process. Mr. Hafen said the district felt Bristlecone is a political subdivision of the state, not a private enterprise, and should qualify for financial assistance from the Board.

Harold Shirley, Board member from the area, said the Board felt the conditions had not been met and in good conscience he could not make a motion to reconsider conditions for authorization for the Bristlecone Water Improvement District project. Chair Taylor said since there was no motion, the project would not be reconsidered.

#E048 Mona Irrigation Company

Chair Taylor introduced Gordon Young, president of the company. Tom Cox reported most of the agricultural land in and around Mona is served by pressurized irrigation systems, however the residential and agricultural land in town is served by open ditches. Over half the flow in these ditches is lost to seepage, evaporation, and transpiration. Most Mona residents use culinary water for their outdoor needs even though almost half of them own irrigation shares. This puts a strain on the culinary system.

The company is requesting financial assistance to install a gravity pressurized secondary irrigation system; the company is also requesting assistance to drill and equip a well which will be used to supplement the water supply primarily in the southern part of its service area.

Technical assistance is being provided by Hubble Engineering in Orem. Since the company has obtained a Central Utah Water Conservancy District Section 207 grant the project must be in place for this growing season; construction is therefore underway.

The project is estimated to cost \$960,000. The Board's current water service affordability guidelines indicate Mona residents could pay up to \$29.74 per month for culinary and irrigation water. With the proposed project in place the cost per connection per month will be \$33.08.

The company has received assistance from the Board on several occasions. Two of the projects have been paid off, and the final two will be repaid by 2024. The sponsor's water rights are currently being held by the Board.

The company has completed the items listed under the Sponsor's Responsibilities and requests that funds be committed to the project at this time.

Gordon Young expressed appreciation to the Board for the assistance they've received in the past. He said the proposed project will bring the system up to where they're not wasting a lot of water.

Director Anderson suggested the Board recommend to all communities to seriously adopt a resolution prohibiting outside irrigation of lawns between 10 a.m. and 6 p.m. He said the division's studies show this is the most effective way of reducing water use.

Cleal Bradford made the motion to authorize and commit funds to the Mona Irrigation Company project in the amount of \$326,000 (34%) to be returned in approximately 20 years at 0% interest with escalated repayments. Harold Shirley seconded the motion. The Board agreed unanimously with Warren Peterson abstaining.

#L539 White City Water Improvement District

Chair Taylor introduced Jeff Budge, general manager; Daron LeBlanc, Sunrise Engineering; and Paul Ashton, general counsel. Val Anderson reported the district serves culinary water for indoor and outdoor use to 2210 connections in White City and 1750 connections in Sandy City. Due to a declining water table, the cost of pumping wells has increased while the quantity of water has decreased.

One of the district's furthest south service areas experiences low pressures during periods of peak demand due to a lack of adequate pipeline capacity. The water system contains stretches of thin-walled steel pipe that are maintenance problems and need to be replaced. There is also a stretch of asbestos-cement pipe that is buried under a high fill and is a liability concern.

The district is requesting financial assistance to construct a three-phased culinary water system improvement project. Phase I consists of the rehabilitation of Well #9 including replacing the existing submersible pump with a larger vertical turbine pump, construction of a

pump house, and all associated electrical work. This is the district's highest priority. Phase II consists of the installation of 6 and 10 –inch ductile iron pipe in some problem areas, and the installation of four pressure regulating stations. Phase III consists of the installation of about 11,000 feet of 8-14-inch ductile iron pipe, drilling and equipping proposed Well #10, refurbishing three existing steel tanks and Well #4, and installing backflow prevention devices in all residential service connections. Sunrise Engineering in Draper will prepare plans and specifications and perform construction engineering.

The total cost of the project is \$2.780 million. Based on the Board's current water service affordability guidelines, the district water users could pay up to \$55.00 monthly for water. With the proposed project in place the cost/connection/month will be \$55.00. The district raised its water rates last December to \$31.50 for 1,000 cubic feet, and the overage from \$.56 to \$.80 per 100 cubic feet.

When White City was developed the White City Water Company was formed. In 1995 a group of citizens got together and purchased the water company and formed a district. The district issued about \$10.5 million in bonds to purchase the water company and also for additional improvements. The sponsor originally wanted to contract with the Board, but when the bonds were issued, there was a lien placed on the company's water rights. Because of the lien the sponsor will have to bond with the Board. Originally the district wanted to authorize the entire project and have funds committed on Phase I, but because of the lien, committal of funds will have to take place next meeting.

After considerable discussion, Bill Marcovecchio made the motion to authorize the White City Water Improvement District project in the amount of \$2.085 million (75%) to be purchased with annual payments of \$270,000 at 5% interest over approximately 10 years. The project is to be constructed in three phases. Paul Riley seconded the motion and it was agreed upon by the Board.

DAM SAFETY CONSTRUCTION FUNDING

#C006 Utah State University (Logan First Dam)

Chair Taylor introduced Stanley Kane, director of facilities; Bob Davis, project engineer; and John Fitch, USU Facilities Design and Construction Coordinator. Shalaine DeBernardi said the sponsor is requesting additional funds to upgrade Logan First Dam. Construction bids and engineering fees are higher than first estimated, and there are additional costs for testing and investigation that were not known previously. The additional cost is about \$1 million, and the sponsor is requesting an additional \$800,000 grant from the Board.

Stanley Kane said there is danger to the community downstream from the dam. The dam has been condemned by the Dam Safety engineer. The work needs to happen in October when the water is lowest, and therefore the sponsor is requesting the Board approve the 80% cost share.

Larry Ross expressed concern about the 33% increase in engineering fees. Mr. Kane said Bob Davis is the engineer, however when the work was estimated, design work had not been developed far enough to enable a more accurate estimate. The design work is now complete and DMJ Engineering's estimate indicates the work would be in excess of the amount of available funds. He said the contractor's estimate verified the engineer's estimate.

Paul Riley made the motion to amend the contract for the Utah State University (Logan First Dam) in the amount of \$3.320 million (80%) in grant funds. Warren Peterson seconded the motion and it was agreed upon by the Board.

COMMITTAL OF FUNDS

#E-029 Weber Basin Water Conservancy District

Chair Taylor introduced Darren Hess, staff engineer with the Weber Basin WCD. Russell Hadley said the Weber Basin Water Conservancy District project is to construct, over a period of years, pressurized secondary irrigation systems in the West Haven, Roy and Hooper areas in western Weber County. The first phase, ready for committal of funds, consists of two pumps and about 7,900 feet of 24 through 10-inch transmission pipeline to transport water from the district's Layton Canal to the Kaneshville Irrigation Company service area. Operations of the irrigation company were recently taken over by the district.

Karlynn Hinman made the motion to commit funds for Phase I of the Weber Basin Water Conservancy District project in the amount of \$531,000 (85%) to be repaid at 4% interest over approximately 15 years with escalating repayments. Warren Peterson seconded the motion and the Board agreed.

#E-033 High Valley Water Company

Chair Taylor introduced Jeff Masters of the company. Steve Wilde reported the company is requesting financial assistance from the Board to drill and equip a culinary well. Karlynn Hinman made the motion to commit funds for the High Valley Water Company in the amount of \$317,000 (85%) to be purchased with annual payments of \$19,400 at 2% interest over approximately 20 years. Bill Marcovecchio seconded the motion and the Board agreed.

#E-038 Red Creek Irrigation Company

Russ Hadley reported the proposed project is located on farmland around the community of Fruitland. The company is requesting financial assistance to install 1,800 feet of 15-inch PVC transmission pipeline. The project is estimated to cost \$60,000. Larry Ross made the motion to commit funds to the Red Creek Irrigation Company in the amount of \$42,500 (71%) to be returned with annual payments of \$5,000 at 0% interest over approximately nine years. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#L-525 Nibley City

Chair Taylor introduced Mayor H. Jay Nelson, and City Administrator, Larry Anhder. Gina Hirst reported the city is requesting financial assistance to improve its culinary water system by installing approximately 9,100 feet of PVC pipe plus appurtenances, valves, and fire hydrants to provide better service to a new business park and elementary school. In addition, since authorization, the Neighborhood Nonprofit Housing Corp. has decided to build affordable housing in the same area, requiring modifications to the authorized project.

Because of additional housing and the increase in construction costs since the project was authorized, the cost estimate has nearly doubled. The estimated cost of the project is now \$473,000. The CDBG grant has also been increased.

Mayor Nelson explained the business park didn't come off as planned and therefore it took time to get the project underway. Paul Riley made the motion, seconded by Karlynn Hinman to commit funds to Nibley City in the amount of \$173,000 (37%) to be repaid in 15 years at 5% interest with annual payments of approximately \$17,000. The Board agreed unanimously.

#L-536 Providence City

Chair Taylor introduced Alma Leonhardt, Skarlet Bankhead, and Dave Miner. Shalaine DeBernardi reported the city is requesting financial assistance to upgrade its culinary system by constructing a 1.5 million gallon tank and installing transmission and distribution pipelines. The proposed cost estimate and sharing remain the same as authorized, except the \$1.35 million will be funded by the Drinking Water Board instead of a market loan. The funds received from the Drinking Water Board will be used for the second phase of the project; it is proposed the Board of Water Resources funds be used for the first phase.

Larry Ross asked if the city would be able to make the \$88,000 payment to be completed in five years. The Mayor replied the Drinking Water loan will begin after five years. The mayor said the city felt they could make the payment.

Paul Riley made the motion to commit funds to Providence City in the amount of \$440,000 (25%) to be repaid in five years at 0% interest with annual payments of \$88,000. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#L-538 Willard City

Gina Hirst reported the city is requesting financial assistance to drill and equip a culinary water well in order to meet current summer and future demands. The project is estimated to cost

\$531,000. Paul Riley made the motion to commit funds to Willard City in the amount of \$425,000 (80%) to be repaid at 5% interest over ten years with annual payments of approximately \$61,000. Karlynn Hinman seconded the motion and the Board agreed unanimously.

ELECTION OF OFFICERS

Harold Shirley made the motion to have Lucille Taylor remain as Board of Water Resources Chairman and Warren Peterson as Vice-chairman for another year. Bill Marcovecchio seconded the motion. Discussion occurred as to whether two motions needed to take place. It was decided a vote by acclamation could take place. Karlynn Hinman made the motion to elect Lucille Taylor as Board of Water Resources chairman and Warren Peterson as Vice-chairman by acclamation. Cleal Bradford seconded the motion, and it was agreed upon by the Board.

DIRECTOR'S REPORT

Director Larry Anderson referred to letters in the Board folder from various groups who oppose Bear River water development. Staff has responded to the letters.

Mr. Anderson also referred to a newspaper article entitled "Cities Want Discount for Saving Water". He said the cities questioned the incentives.

NEXT BOARD MEETING

Lucille Taylor said the next Board meeting will be June 8th in Salt Lake City. On June 7th the Board will be touring the Bear River Bird Refuge.

Meeting adjourned at 3:20 p.m.

Approved
MINUTES

BOARD OF WATER RESOURCES MEETING

March 8, 2001

Holiday Inn
850 Bluff Street
St. George, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the January 19th Board meetings were approved with suggested changes. page 5
2. A motion was made to authorize the Cool Springs Mutual Water Company Project. The motion was withdrawn. page 6
3. The River Heights City project was authorized at \$839,000 (80%) to be repaid at 5% interest over 17 years with annual payments ranging from approximately \$77,600 to \$83,300. page 7
4. The Board authorized the Willard City project in the amount of \$425,000 (80%) to be repaid at 5% interest over 10 years with annual payments of approximately \$61,000. page 7
5. The Board committed funds to the Coalville City project in the amount of \$2.5 million (93%) to be repaid at 1% interest over 25 years with annual payments starting at approximately \$85,000 and increasing to about \$155,000 the final year. page 7
6. The Board provided a grant of \$75,000 from the Conservation and Development Fund for the purpose of buying bond insurance for the Alpine City project. Funds will be available July 1. page 8
7. The Board provided a grant to Tooele City in the amount of \$80,000 from the Conservation and Development Fund for the purpose of buying bond insurance. page 8

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Thursday, March 8, 2001 in the Holiday Inn, 310 Bluff Street, St. George, Utah. Chair Taylor presided over the 8:30 a.m. meeting.

BOARD MEMBERS PRESENT:

Lucille Taylor
Warren Peterson
Larry Ross
Harold Shirley
Karlynn Hinman
Paul Riley
Bill Marcovecchio

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Norm Stauffer, Chief, Hydrology and Computer Applications
Eric Klotz, Chief, Resource Inventories and Special Studies
Steve Wilde, Chief, Investigations
Milo Barney, CUP Liaison
Gina Hirst, Engineer

OTHERS PRESENT:

Sherman Hoskins, Deputy Director, Department of Natural Resources
Dee C. Hansen, Regional Director, Psomas
Jim Christensen, Manager, Bear River Water Conservancy District
David Styer, Manager, Bear River Canal Co.
Keith Denos, General Manager, Provo River Water Users
Jonathan Clegg, Engr. Manager, Provo Water Users Assoc.
Stephen Denison, council member, Price City

OTHERS PRESENT CONT'D.

Carolyn Bowles, President, Cool Springs Mutual Water Co.
E. Farley Eskelson, Principal Engineer, Cool Springs Mutual Water Co.

Glenn Foust, City Engineer, River Heights City
Ralph Degn, Mayor, River Heights City

Mike Setzer, Public Works Supervisor, Willard City

Merlyn W. Johnson, Mayor, Coalville City
Doug Moore, Public Works Director, Coalville City

Steve Sorensen, City Engineer, Alpine City
Ted J. Stillman, City Administrator, Alpine City
Dennis Steele, Project Manager, J U B Engineers Inc.

Scott J. Robertson, Principal, Lewis Young Robertson & Burningham

MINUTES
BOARD OF WATER RESOURCES MEETING
March 8, 2001

Chair Lucille Taylor called the meeting to order and welcomed everyone to the Board meeting. She thanked the Washington County Water Conservancy District for its hospitality – the tour of Sand Hollow Dam and the dinner. She also thanked the organizers and presenters of the Water Users Workshop.

WATER SUPPLY REPORT

Randy Julander reported statewide average was in the mid-60's. He said this is the third year in a row the state has been in below average condition. The southern part of the state is close to average or slightly above; northern Utah is far less than average. He said reservoir storage was good, most of the reservoirs have been trapping water as fast as they can. The only reservoir that probably won't fill is Scofield.

APPROVAL OF MINUTES

Karlynn Hinman made a motion to approve the minutes of the January 19, 2001 meetings. Warren Peterson seconded the motion with suggested changes from Paul Riley. The Board approved unanimously.

FEASIBILITY REPORTS

#E-043 Cool Springs Mutual Water Company

Chair Taylor introduced Carolyn Bowles, president; and Farley Eskelson, engineer. Steve Wilde reported the Cool Springs Mutual Water Company provides indoor culinary water service to the Beaver Springs Ranch recreational housing development which contains 204 buildable lots with 169 existing homes. Eight residences are occupied year-round and over a dozen for about half the year. The remainder are typically occupied each weekend in summer and every other weekend in winter.

The company is requesting financial assistance to improve its culinary water system by drilling and equipping a well, constructing a 200,000 gallon concrete tank, and installing about 11,000 feet of 4-inch transmission and distribution pipeline. Dominion Engineering of Salt Lake City is providing technical assistance. The estimated cost of the project is \$385,000.

Mr. Wilde said the Board's current guidelines require a 20% full-time residency for a company to be considered for funding. He said Cool Springs with its small number of full-time

residents doesn't currently meet the guideline, however the company would like to be considered for assistance.

President Bowles said their situation was quite critical as they are running out of water on Sundays. Mr. Eskelson, stated they appreciated the opportunity to come before the Board and also expressed appreciation for the assistance the Board provided about ten years ago for a 200,000 gallon tank.

Bill Marcovecchio asked about the possibility of their obtaining water from the Weber Basin Water Conservancy District. Mr. Eskelson said they intended to purchase ten acre-feet of water from Weber Basin, however, it would not increase the flow from the springs that currently provide their water source. The only way the water can be increased would be by drilling a well. In drought years the springs do not flow very much. Warren Peterson said the company would not be purchasing delivered water from Weber Basin just a water right. Mr. Eskelson agreed, and said an application had been submitted to the State Engineer to change the ten acre-feet for a well permit.

Larry Ross said the problem the company has with the Board is they do not have 20% full-time residents, and if the Board stays with the 20% it eliminates the possibility of the company obtaining funds. He asked them if there was other low interest money available elsewhere. Ms. Bowles said they hadn't been able to find it. Mr. Eskelson said they don't have 20% full-time residents, however each year it increases more and more.

Karlynn Hinman expressed concern for the company's situation, however the Board has great pressure on funds for projects that have a higher priority. Ms. Hinman made the motion to authorize the Cool Springs Mutual Water Company project at \$308,000 (80%). The motion was withdrawn.

#L-537 River Heights City

Chair Taylor introduced Mayor Ralph Degn, and city engineer Glen Foust. Gina Hirst reported River Heights City is located south of Logan in Cache County. The city is requesting financial assistance to construct a 920,000 gallon concrete storage tank, upsize and replace a transmission pipeline from the new tank to the distribution network, and upgrade parts of the distribution system. Sargent Engineers in Providence is providing technical assistance. The project is estimated to cost \$1.049 million.

Mayor Degn expressed appreciation to the Board for considering the proposed request. He said with the new requirements for fireflow from the State Fire Marshall Office plus the increased growth in the city, there is a short fall of water. Mr. Foust said they are in a situation where they have to ask for assistance because of a few set backs the city has had with major replacements the past few years.

Director Anderson asked if the water right for three second feet had been applied for. Mr. Eskelson said it had and permission had been received from the State Engineer. Mr.

Anderson also asked about the installation of electronic meters. Mr. Eskelson said they were all installed and would be read monthly. Mr. Anderson also reminded the city a water management and conservation plan needs to be prepared as a condition of receiving funding from the Board of Water Resources. He mentioned a workshop scheduled for March 20 at the Bear River Water Conservancy District to help in the preparation of a plan.

Paul Riley made the motion the River Heights City project be authorized at \$839,000 (80%) to be repaid at 5% interest over 17 years with annual payments ranging from approximately \$77,600 to \$83,300. Karlynn Hinman seconded the motion and it was agreed upon by the Board.

#L-538 Willard City

Chair Taylor introduced Mike Setzer with Willard City. Gina Hirst reported the city is requesting financial assistance to drill and equip a well in order to meet current summer and future demands for the next 20-40 years. Last summer they had to ration water to the users and there's a current moratorium on building permits until additional water can be added to the system. Weston Engineering in Park City is providing technical assistance. The project is estimated to cost \$531,000.

Paul Riley made the motion the Willard City project be authorized in the amount of \$425,000 (80%) to be repaid at 5% interest over 10 years with annual payments of approximately \$61,000. Bill Marcovecchio seconded the motion and the Board agreed.

COMMITTAL OF FUNDS

#E-024 Coalville City

Chair Taylor introduced Mayor Merlyn Johnson, Doug Moore and Dennis Steele, JUB Engineers. Steve Wilde reported Coalville City is requesting financial assistance to install a pressurized secondary irrigation system throughout the city. The estimated cost of the project is \$2.68 million. Mayor Johnson said the city had raised the rates for culinary and secondary water to \$28 a month.

Karlynn Hinman made the motion to commit funds to the Coalville City project in the amount of \$2.5 million (93%) to be repaid at 1% interest over 25 years with annual payments starting at approximately \$85,000 and increasing to about \$155,000 the final year. Warren Peterson seconded the motion and it was agreed upon by the Board.

SPECIAL ITEMS

#E-051 Alpine City

Chair Taylor introduced Ted Stillman, city administrator; Shane Sorensen, city engineer; and Scott Robertson, loan officer. Dennis Strong reported Alpine City's project consists of the construction of a pressurized irrigation system to serve both municipal and agricultural needs. It will be designed to service a buildout population of 18,200; the current population is 6,200.

The estimated cost of the project is over \$10 million. Due to the considerable amount of water that is conserved through pressurized irrigation compared to the use of a flood or open ditch system, the project has qualified for a federal grant of \$3.3 million through the Central Utah Project Completion Act. The city is requesting the Board provide a grant of \$75,000 to buy bond insurance. The insurance will reduce the interest rate from about 5.7% to near 5.2% and save the city over \$600,000 in interest payments.

After discussion, Warren Peterson made the motion to provide a grant of \$75,000 from the Conservation and Development Fund for the purpose of buying bond insurance for the Alpine City project. The monies will be available after July 1, 2001. Larry Ross seconded the motion and it was agreed upon by the Board.

#E-052 Tooele City

Dennis Strong reported Tooele City is facing a major challenge in providing culinary water to its rapidly increasing population. To obtain additional water, the city will purchase over 1,300 acre-feet of groundwater. The estimated cost of purchasing the water rights and constructing facilities to deliver the water will be almost \$8.5 million. The project will be financed from the proceeds of the sale of bonds through the Utah Water Finance Agency. The city is requesting the Board provide a grant of \$80,000 to buy bond insurance. The insurance will reduce the interest rate from about 5.7% to near 5.2% and will save the city over \$600,000 in interest payments.

Bill Marcovecchio said it is a good project and wholeheartedly endorses it. He made the motion to grant Tooele City \$80,000 from the Conservation and Development Fund for the purpose of buying bond insurance. Paul Riley seconded the motion. After discussion regarding the water rights, the Board agreed unanimously on the motion.

DIRECTOR'S REPORT

Chair Lucille Taylor and Milo Barney gave a report on the proceedings between the Department of the Interior, Strawberry Water Users and the Central Utah Water Conservancy District regarding the distribution of water from the mouth of Spanish Fork Canyon (known as the SFN).

Chair Lucille Taylor introduced Stephen Denison, a council member from Price City. Mr. Denison said he was at the meeting to observe. Price City will be coming before the Board in the near future with a million dollar tank replacement project.

Director Larry Anderson reported on his recent trip to the Colorado River Delta in Mexico with the other six Colorado River Basin states representatives. The state of Nevada invited them so they could become acquainted with the area.

Meeting adjourned at 11:35 a.m.